



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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November 28, 2025

**Reserve Bank of India (Non-Banking Financial Companies– Acquisition of  
Shareholding or Control) Directions, 2025**

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In exercise of the powers conferred by Sections 45JA, 45K, 45L, 45M and 45MA of the Reserve Bank of India Act, 1934 (Act 2 of 1934), the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the Directions hereinafter specified.

## **Chapter I- Preliminary**

### **A. Short Title and Commencement.**

1. These directions shall be called the Reserve Bank of India (Non-Banking Financial Companies- Acquisition of Shareholding or Control) Directions, 2025.
2. These directions shall become effective from the date of issue.

### **B. Applicability**

3. (1) These Directions shall be applicable to the following Non-Banking Financial Companies (hereinafter collectively referred to as 'NBFCs' and individually as 'an NBFC'), for all layers:
  - (i) The provisions given in Paragraph 6 to 13, except 6(3) and 6(4), shall apply to the following:
    - (a) NBFC-D registered with the RBI under the provisions of the RBI Act, 1934;
    - (b) NBFC-ICC registered with the RBI under the provisions of the RBI Act, 1934;
    - (c) NBFC-Factor registered with the RBI under the provisions of the Factoring Regulation Act, 2011;
    - (d) NBFC-MFI registered with the RBI under the provisions of the RBI Act, 1934;
    - (e) NBFC-IFC registered with the RBI under the provisions of the RBI Act, 1934;
    - (f) IDF-NBFC registered with the RBI under the provisions of the RBI Act, 1934;
    - (g) HFC registered with the RBI under the provisions of the NHB Act, 1987;
    - (h) CIC registered with the RBI under the provisions of the RBI Act, 1934;
    - (i) NBFC-P2P registered with the RBI under the provisions of the RBI Act, 1934;
    - (j) NBFC-AA registered with the RBI under the provisions of the RBI Act, 1934;
  - (ii) The provisions contained in Paragraph 6(3) shall be applicable to HFCs.
  - (iii) The provisions contained in Paragraph 6(4), 11, 12 and 13 shall be applicable to SPD registered with the RBI as NBFC under the provisions of the RBI Act, 1934;



(2) These Directions are not applicable for the following:

- (i) MGC registered with RBI under the scheme of Registration of Mortgage Guarantee Companies;
- (ii) NOFHC registered with the RBI as NBFC under the provisions of the RBI Act, 1934.

*Note: The applicability under these Directions is in line with the regulatory structure for NBFCs as set out in [Reserve Bank of India \(Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation\) Directions, 2025](#).*

### **C. Definitions**

- 4. In these Directions, unless the context otherwise requires, the terms used shall bear the meanings assigned to them below, and their cognate expressions and variations shall be construed accordingly:
  - (1) ‘*control*’ shall have the same meaning as assigned to it under clause (e) of sub-regulation (1) of regulation 2 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (2) ‘*public deposit*’ shall have the same meaning as contained in [Reserve Bank of India \(Non-Banking Financial Companies- Acceptance of Public Deposits\) Directions, 2025](#);
  - (3) ‘*relative*’ shall have the meaning assigned to it under clause 77 of section 2 of the Companies Act, 2013;
- 5. All other expressions, unless defined herein, shall have the meanings assigned to them under the RBI Act, 1934, the Companies Act, 1956 or the Companies Act, 2013 (Act 18 of 2013).



## Chapter II: Acquisition of Shareholding or Control

### A. Acquisition of Shareholding or Control of NBFCs

6. An NBFC shall require prior written permission of the Reserve Bank for the following:

- (1) Any takeover or acquisition of control of the NBFC, which may or may not result in change of management;
- (2) Any change in the shareholding of the NBFC, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 26 percent or more of the paid-up equity capital of the NBFC.

*Provided that*, prior approval would not be required in case of any shareholding going beyond 26 percent due to buyback of shares/reduction in capital where it has approval of a competent Court. However, the same is to be reported to the Reserve Bank / NHB not later than one month from its occurrence.

(3) any change in the shareholding of an HFC accepting / holding public deposits, including progressive increases over time, which would result in acquisition / transfer of shareholding of 10 per cent or more of the paid-up equity capital of the HFC by / to a foreign investor

*Provided that*, prior approval would not be required in case of any shareholding going beyond 10 per cent, as applicable, due to buyback of shares/ reduction in capital where it has approval of a competent Court. However, the same is to be reported to the NHB not later than one month from the date of its occurrence.

*Further, provided that*, in cases of acquisition or transfer of control of HFCs holding CoR valid for accepting public deposits, the Reserve Bank reserves the right to review the grant of permission to accept public deposits.

(4) Any change in the shareholding pattern / capital structure of a SPD shall need prior approval of the Reserve Bank. SPDs shall report any other material changes such as business profile, organization, etc. affecting the conditions of licensing as SPD to the Reserve Bank immediately.



## **B. Application for prior Approval**

7. An NBFC shall submit an application, through [PRAVAAH](#), in the company's letter head, for obtaining prior approval of the Reserve Bank, along with the following documents:
  - (1) information about the proposed shareholders as per [Annex I](#);
  - (2) sources of funds of the proposed shareholders acquiring the shares in the NBFC;
  - (3) declaration by the proposed shareholders that they are not associated with any unincorporated body that is accepting public deposits;
  - (4) declaration by the proposed shareholders that they are not associated with any company, the application for Certificate of Registration (CoR) of which has been rejected by the Reserve Bank;
  - (5) declaration by the proposed shareholders that there is no criminal case, including for offence under Section 138 of the Negotiable Instruments Act, 1881 against them;
  - (6) bankers' report on the proposed shareholders.

## **C. Requirement of prior Public Notice about Change in Control/ Management**

8. Without prejudice to the requirements in the paragraph 6, a public notice shall be given in at least one leading national and in one leading local (covering the place of registered office) vernacular newspaper, at least 30 days before effecting: (i) the transfer of the ownership of the company by sale of shares, or (ii) transfer of control of the company, with or without sale of shares.

*Provided that* nothing contained in this paragraph shall apply in case of any change in shareholding of an HFC accepting/ holding public deposits, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 10 per cent or more and less than 26 per cent of the paid-up equity capital of the HFC by/to a foreign investor.

9. The public notice required in paragraph 8 shall be given by the NBFC and also by the transferee party or jointly by the parties concerned, after obtaining the prior permission of the RBI.



10. The public notice shall indicate the intention to sell or transfer ownership/ control, the particulars of transferee and the reasons for such sale or transfer of ownership/ control.

#### **D. Investment from FATF non-compliant jurisdictions**

11. Investments in an NBFC from FATF non-compliant jurisdictions shall not be treated at par with that from the FATF compliant jurisdictions.

*Explanation:* The FATF periodically identifies jurisdictions with weak measures to combat money laundering and terrorist financing (AML/CFT) in its following publications (i) High-Risk Jurisdictions subject to a Call for Action, and (ii) Jurisdictions under Increased Monitoring. A jurisdiction, whose name does not appear in the two aforementioned lists, shall be referred to as a FATF compliant jurisdiction.

12. A new investor from or through non-compliant FATF jurisdictions, whether in an existing NBFC or in a company seeking Certificate of Registration, shall not be allowed to directly or indirectly acquire 'significant influence' in the investee, as defined in the applicable accounting standards. Consequently, fresh investors (directly or indirectly) from such jurisdictions in aggregate should be less than the threshold of 20 per cent of the voting power (including potential voting power) of the NBFC.

*Explanation:* "Potential voting power" could arise from instruments that are convertible into equity, other instruments with contingent voting rights, contractual arrangements, etc. that grant investors voting rights (including contingent voting rights) in the future. In such cases, it should be ensured that new investments from FATF non-compliant jurisdictions are less than both (a) 20 per cent of the existing voting powers and (b) 20 per cent of existing and potential voting powers assuming those potential voting rights have materialised.

13. An investor in an existing NBFC holding their investments prior to the classification of the source or intermediate jurisdiction/s as FATF non-compliant, may continue with the investments or bring in additional investments as per extant regulations so as to support continuity of business in India.



## **Chapter III- Repeal and Other Provisions**

### **A. Repeal and saving**

14. With the issue of these Directions, the existing Directions, instructions, and guidelines relating to Acquisition of Shareholding or Control as applicable to Non-Banking Financial Companies stand repealed, as communicated vide circular [DOR.RRC.REC.302/33-01-010/2025-26](#) dated November 28, 2025. The Directions, instructions and guidelines repealed prior to the issuance of these Directions shall continue to remain repealed.
15. Notwithstanding such repeal, any action taken or purported to have been taken, or initiated under the repealed Directions, instructions and guidelines shall continue to be governed by the provisions thereof. All approvals or acknowledgments granted under these repealed lists shall be deemed as governed by these Directions. Further, the repeal of these directions, instructions, or guidelines shall not in any way prejudicially affect:
- 1) any right, obligation or liability acquired, accrued, or incurred thereunder;
  - 2) any, penalty, forfeiture, or punishment incurred in respect of any contravention committed thereunder;
  - 3) any investigation, legal proceeding, or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, or punishment as aforesaid; and any such investigation, legal proceedings or remedy may be instituted, continued, or enforced and any such penalty, forfeiture or punishment may be imposed as if those directions, instructions, or guidelines had not been repealed.

### **B. Application of other laws not barred**

16. The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other laws, rules, regulations, or directions, for the time being in force.

### **C. Interpretations**

17. For the purpose of giving effect to the provisions of these Directions or in order to remove any difficulties in the application or interpretation of the provisions of these Directions, the RBI may, if it considers necessary, issue necessary clarifications in



respect of any matter covered herein and the interpretation of any provision of these Directions given by the RBI shall be final and binding.

(Scenta Joy)  
Chief General Manager





## Annex I

### Information about the Proposed Promoters/ Shareholders of the Company

Form 1(a)		
<b>Information About the Proposed Promoters/ Shareholders of the Company</b>		
Sr. no.	Particulars Required	Response
1.	Name	
2.	Designation	Chairman/ Managing Director/ Director/ Chief Executive Officer
3.	Nationality	
4.	Age (to be substantiated with date of birth)	
5.	Business Address	
6.	Residential Address	
7.	E-mail address/ Telephone number	
8.	PAN under Income Tax Act	
9.	Director Identification Number (DIN)	
10.	Social security number/ Passport No.*	
11.	Educational/ professional qualifications	
12.	Professional Achievement relevant to the job	
13.	Line of business or vocation	
14.	Any other information relevant to the NBFC	
15.	Name/s of other companies in which the person has held the post of Chairman/ Managing Director/ Director/ Chief Executive Officer	
16.	Name/s of the regulators (RBI, SEBI, IRDA, PFRDA, NHB or any other foreign regulator) of the entities mentioned in which the persons hold directorships	
17.	Name/s of the NBFCs, if any, with which the person is associated as Promoter, Managing Director, Chairman or Director, which has been prohibited from accepting deposits/ prosecuted by RBI	
18.	Detail of prosecution, if any, pending or commenced or resulting in conviction in the past against the person and/or against any of the entities he is associated with for violation of economic laws and regulations	
19.	Cases, if any, where the person or relatives of the person or the companies in which the person is associated with, are in default or have been in default in the last 5 years in respect of credit facilities obtained from any entity or bank	
20.	If the person is a member of a professional association/ body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/ her or whether he/ she has been banned from entry of any professional occupation at any time	
21.	Whether the person attracts any of the disqualification envisaged under Section 164 of the Companies Act, 2013?	



22.	Has the person or any of the companies, he/ she is associated with, been subject to any investigation at the instance of the Government Department or Agency?	
23.	Has the person at any time been found guilty of violations of rules/ regulations/ legislative requirements by Customs/ Excise/ Income Tax/ Foreign Exchange / Other Revenue Authorities? If so, give particulars	
24.	Experience in the business of NBFC (number of years)	
25.	Equity shareholding in the company	
(i)	No. of shares	
(ii)	Face value	
(iii)	Percentage to total paid-up equity share capital of the company	
26.	Name/s of the companies, firms, and proprietary concerns in which the person holds substantial Interest	
27.	Names of the principal bankers to the concerns at 26 above	
28.	Names of the overseas bankers *	
29.	Whether number of directorships held by the person exceeds the limits prescribed under Section 165 of the Companies Act, 2013	
		Signature:
		Name:
		Designation:
		Company Seal:
<b>* For foreign promoters/ directors/ shareholders</b> <b>Note:</b> Separate form shall be submitted in respect of each of the proposed promoters/ directors/ shareholders		



Form 1(b)

**Information About Corporate Promoter**

Sr. no.	Particulars Required	Response
1.	Name	
2.	Business Address	
3.	E-mail address/ Telephone number	
4.	PAN under Income Tax Act	
5.	Name and contact details of compliance officer	
6.	Line of business	
7.	The details of their major shareholders (more than 10 percent) and line of activity, if corporates	
8.	Names of the principal bankers/ overseas bankers*	
9.	Name/s of the regulators (RBI, SEBI, IRDA, PFRDA, NHB or any other foreign regulator)	
10.	Name/s of company/ies in the Group	
11.	Name/s of the company/ies in the Group that are NBFCs	
12.	Specify the names of companies in the Group which have been prohibited from accepting deposits/ prosecuted by RBI	
13.	Detail of prosecution, if any, pending or commenced or resulting in conviction in the past against the corporate for violation of economic laws and regulations	
14.	Cases, if any, where the corporate is in default or have been in default in the last 5 years in respect of credit facilities obtained from any entity or bank	
15.	Whether the corporate has been subject to any investigation at the instance of the Government Department or Agency?	
16.	Has the Corporate at any time been found guilty of violations of rules/ regulations/ legislative requirements by Customs/ Excise/ Income Tax/ Foreign Exchange/ Other Revenue Authorities? If so, give particulars	
17.	Has the promoter corporate/ majority shareholder of the promoter corporate, ever applied to RBI for CoR which has been rejected?	
		Signature:
	Date:	Name:
	Place:	Designation
		Company Seal:
<b>* For foreign corporate</b>		

*Note: 'Companies in the group' means an arrangement involving two or more entities related to each other through any of the following relationships: Subsidiary – parent (defined in terms of AS 21), Joint venture (defined in terms of AS 27), Associate (defined in terms of AS 23), Promoter–promotee [as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997] for listed companies, a related party (defined in terms of AS 18), common brand name, and investment in equity shares of 20 percent and above.*